



News Release

MASCOMA CORPORATION TO BUILD NATION'S FIRST SWITCHGRASS CELLULOSIC ETHANOL PLANT

Third production facility under development

CAMBRIDGE, MA, September 27, 2007 – Mascoma Corporation, a leader in advanced low-carbon energy biotechnology, today announced that it intends to establish the country's first operating facility producing cellulosic ethanol utilizing switchgrass as feedstock. The project represents one of the largest commitments of capital yet made in support of the cellulosic biofuels industry.

Mascoma and The University of Tennessee plan to jointly build and operate the five million gallon per year cellulosic biorefinery. Construction is expected to begin by the end of 2007 and the facility will be operational in 2009. The business partnership and plans for the facility are a result of Tennessee Governor Bredesen's Biofuels Initiative, a research and business model designed to reduce dependence on foreign oil and provide significant economic and environmental benefits for Tennessee's farmers and communities. It includes a \$40 million investment in facility construction and \$27 million for research and development activities, including incentives for farmers to grow switchgrass funded by the State and The University of Tennessee. The large-scale demonstration facility will be located in Monroe County, Tennessee.

The University of Tennessee's Institute of Agriculture will support the establishment of switchgrass as an energy crop. Initial research conducted by the University of Tennessee's Institute of Agriculture indicates that Tennessee is capable of generating over one billion gallons of cellulosic ethanol from switchgrass alone.



MASCOMA

News Release

The facility is complemented by research efforts at nearby Oak Ridge National Laboratory. In June, Oak Ridge was awarded \$125 million from the U.S. Department of Energy to fund the Bioenergy Science Center, a research collaborative to address fundamental science and technology challenges to commercially producing cellulosic ethanol.

Mascoma Building Three Cellulosic Biorefineries

The Tennessee project is Mascoma's third cellulosic biorefinery. Mascoma has begun construction on its first facility announced in 2006, a multi-feedstock demonstration-scale biorefinery located in Rome, New York. This project is being developed in partnership with the New York State Energy Research and Development Authority and the New York State Department of Agriculture and Markets.

In July 2007, the company announced plans to build one of the nation's first commercial scale biorefineries using wood as a feedstock. This project is located in the State of Michigan and is being developed with the Michigan Economic Development Corporation and partners including Michigan State University and Michigan Technological University.

Mascoma CEO Bruce A. Jamerson said, "We are excited about our partnership, the first to produce biofuels from switchgrass, and the opportunity in the future, to expand our production to commercial scale. Along with the new DOE Bioenergy Research Center at nearby Oak Ridge, Tennessee will have a one-two punch addressing our nation's need for low-carbon, domestically produced energy."

About Mascoma Corporation

Mascoma Corporation is a leader in advanced low-carbon energy biotechnology based in Cambridge, Massachusetts. It produces biofuels from lignocellulosic biomass using proprietary microorganisms and enzymes developed in its Lebanon, New Hampshire

Page 2 of 3



MASCOMA

News Release

laboratories and with research partners throughout the world. Mascoma's production processes have a substantially lower carbon footprint impact on the environment than those of other liquid transportation fuels. Mascoma is developing demonstration and commercial scale production facilities in locations across the United States. For more information, visit <http://www.mascoma.com>.

###

Press Contact:

Priscilla Li

Makovsky + Company

212-508-9659

pli@makovsky.com